SPEECH

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OF

MR. WRIGHT, OF NEW YORK,

ON THE

BILL IMPOSING ADDITIONAL DUTIES,

AS

DEPOSITARIES IN CERTAIN CASES,

ON

PUBLIC OFFICERS, &c.

Delivered in the Senate of the United States, January 31, 1838.

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SPEECH.

In Senate, January 31, 1838—Upon the bill "to impose additional duties, as depositaries, upon certain public officers, to appoint Receivers General of public money, and to regulate the safe-keeping, transfer, and disbursement, of the public moneys of the United States."

Mr. WRIGHT said he regretted that it would be necessary for him to impose a more severe tax upon the time and patience of the Senate, than he had ever before been compelled to impose, since he had been honored with a seat in the body. He had hoped, therefore, that he should have been able to reach the subject at an earlier hour in the morning; but, as it was, he would endeavor to conclude with the sitting of the day.

He said he entered upon the debate with a painful consciousness of his inability to do justice to the position he held in reference to the measure upon the table. The discussion of it must involve questions of the highest importance in politics, of the most pervading interest in finance, and, as he thought, of equal magnitude in the morals of Government. These questions were to be discussed, deliberated upon, and decided by the Senate; and upon him had fallen the duty of opening such a debate before that high tribunal.

Could he call to his aid talents, experience, learning, powers of argument, and perspicuity of language, such as were possessed and at the command of many of the distinguished Senators whom he knew he must meet in opposition to the bill, he should feel a gratifying confidence that he could contend successfully, and could triumphantly refute every objection. As it was, he was consoled by the reflection that he should be followed in the debate by other Senators equally able and equally distinguished, and who would only have occasion to ask of him that he should not injure a cause which must rest its defence with them. He would most cheerfully promise them that he would not intentionally throw obstacles in their way; and he would entreat the Senate to judge of the bill from its provisions, which he considered sound and salutary, and not from the weaknesses they would not fail to discover in his attempt to support them.

Justice to himself required another preliminary remark. But a few months had passed since they were engaged there in the discussion of this same measure, or rather, perhaps he should say, of a measure precisely similar in its great leading features. In that discussion he had taken a part; and if he should be found upon this occasion repeating ideas, and urging arguments, which he had then advanced, the reason and his apology must be sought in the identity of the subjects, and not in a disposition on his part to trouble the Senate now with remarks to which they had once done him the honor to listen.

He said the bill was based upon two great leading principles, and that all its provisions, detailed and numerous as they were, became necessary, in the judgment of the committee, to carry those principles successfully into practice. These principles were—

First. A practical and *bona fide* separation between the public treasure, the money of the people, and the business of individuals and incorporations, and especially between this money and the business of banking.

Second. A gradual change of the currency to be received in payment of the public dues, from that authorized to be received by the resolution of Congress of 1816, to the legal currency of the United States.

The material details of the bill, applicable to each of these objects, it would be his duty to notice; and as the task must be tedious and uninteresting to him, and much more so to the Senate, he would abridge it as much as justice to the measure would permit.

As applicable to the first object, the bill commenced with the establishment of offices and vaults, at designated points, for the safe keeping of the public money. The first section defined and established the Treasury of the United States, and placed it under the care and charge of the Treasurer of the United States; and, singular as it had appeared to him, and as he thought it would appear to most of the constituents of every Senator, this was the first attempt, so far as his researches had enabled him to discover, to establish by law a National Treasury. Should this bill pass, and this section be retained, he was confident it would be the first act of the Congress of the United States which had given, not a name, but "a local habitation," to this most important institution. As the object of the bill is to place the funds of the Government hereafter under the control of the public Treasury, and not of private banking institutions, it seemed to the committee peculiarly proper that its first enactment should be to define and estalish that Treasury.

The second section constituted the mint at Philadelphia, and the branch mint at New Orleans, also places for the deposite and safe keeping of the public money collected at those places, or transferred to them by the direction of the Secretary of the Treasury. The treasurers of the mints respectively

were assigned to the charge and custody of the moneys there deposited.

The third section directed the preparation of suitable offices and vaults in the custom-houses now erecting at New York and Boston, for the deposite and safe-keeping of the public money at those points, and for the use of the officers to have the custody of those moneys; and the fourth section provided for the erection of two independent offices and vaults, for the same purpose: the one to be located at Charleston, in the State of South Carolina, and the other at St. Louis, in the State of Missouri.

It would not require any remark from him to satisfy the mind of every Senator of the propriety of selecting the seat of Government as the place of location for the National Treasury, or that the points he had named upon the Atlantic coast, as well as New Orleans, were places where so important portions of the public revenue were collected, and from which so great a share of the public disbursements were now, in fact, made, or could be made with increased convenience to the Treasury, and to the public creditors, as to render them all proper places for the location of offices for the safe-keeping of the public money, in case any such offices were to be provided at the public expense, owned by the Government, and kept in the charge of its officers. Another reason also existed, and which was conclusive with the committee, as to the selection of Washington, Philadelphia, New Orleans, New York and Boston. Public buildings of a fire proof character were already erected, or now being erected, at the public expense, and for the public use, at all those places, in which sufficient rooms, offices and vaults, for the purpose contemplated, could be secured without any material addition to the expense incurred, and to be incurred, upon the buildings. It was also his duty to inform the Senate that, since the bill was reported, the committee had learned that the Government now owned a custom-house at Charleston, and that the information possessed at the Treasury Department authorized the belief that suitable rooms for offices could be had in that building, thus rendering it necessary to construct a vault only, instead of an independent office, as the bill contemplated, at that place. He had prepared an amendment to the bill, to make it conform to this state of facts, which he would send to the Chair before he resumed his seat.

As to the selection of St. Louis some diversity of opinion might exist; but the committee had fixed upon that place, because, from all the information they had been able to collect, they believed it to be the point from which the principal part of our Treasury disbursements upon the western frontier were made. They were informed that a very large proportion of the money paid, and to be paid, annually, to the Indians west of the Mississippi, and the principal part of the disbursements at the various military posts upon the western frontier, were received by the various disbursing officers at this town, and that, therefore, large accumulations of public money were rendered necessary at this point, to meet these payments. This seemed to them to require an office for safe-keeping, and an officer or agent of the Government, of some kind, there; and the place was selected more, perhaps, in consequence of the heavy disbursements made from, than the amount of collections at it. Still their information was, that the money collected at many of the western, and especially the northwestern, land offices could be more conveniently transferred to, and accumulated at, that point than at any other upon that frontier.

The fifth section of the bill, he said, provided for the appointment of four additional salary officers, and which, in the draft of the bill, the committee had, to distinguish them from the receivers of public money at the various land offices, denominated "receivers general of public money." These officers were to be appointed by the President, by and with the advice and consent of the Senate, as other officers of like importance were appointed; were to hold their offices for the same terms of four years; and were to be located, one at New York, one at Boston, one at Charleston, and one at St. Louis, to take the charge of the offices and vaults for the safe-keeping of the public money at those points respectively, and of the money placed therein.

He was well-aware that this was a feature of the bill not calculated to be popular, upon a slight examination, and that it was not palatable to some of the friends of the measure generally. It was not his purpose to discuss this provision at large, in this place, as the course he had marked out for himself would require that he should again recur to it; but a few remarks upon the necessity of some provision of the sort were called for here. It was indispensably necessary to the operations of the Treasury, that it should have agencies of some description at these points. The collections and disbursements at them all made this imperative, and if it was designed to discontinue the banks as fiscal agents, some other must be substituted. This would be apparent to all, merely from recurring to the names of the places, and to their importance as commercial towns. It was true that, in the bill reported by the committee, at the extra session of Congress in September, no provision was made for this addition to the existing officers of the Treasury Department. The duties now proposed to be assigned to these new officers, were, by that bill, devolved upon the respective collectors of the customs at the places named; but it was then stated to the Senate by himself, in his place, that this and many other matters of detail were purposely omitted, that the bill then reported might be made as simple as possible, and embody the great principles intended to be secured by it; knowing, as the committee did know, the strong desire and determination of both Houses of Congress to limit that session within the shortest possible period which the public business would allow. They believed that these details, including as well the provisions of the sections before noticed, as the one now under discussion, and others which follow, would be calculated to protract discussion, delay action, and thus, either extend the session, or prevent the final passage of the bill. They were then convinced that the recommendations of the President and Secretary of the Treasury, as to the appointment of these additional officers, would have to be carried out, but, in the then almost suspended state of our foreign trade, they did not believe that

the operations of the Treasury would suffer for the want of them during the very short vacation which was to intervene between that and the present session of Congress; and it was then intimated that the defects in that bill could be supplied now.

The inquiries which the committee have since made, not only at the Treasury Department, but at some of the places named, have proved to their entire satisfaction that this addition of officers will be required; that the collectors of the customs at these places, or certainly at some of them, are already charged with more onerous and responsible duties than any one man, whatever may be his industry and capacity for business, can well discharge; and that, at the port of New York at least, those duties would justly bear division, were it not that, from their nature and character, they cannot be divided. The same must be nearly the truth at Boston, and cannot vary very materially from it at Charleston and St. Louis. The Secretary of the Treasury supposes that the receipts and disbursements of the money ordinarily collected and disbursed at each of these points, will occupy the full time of one competent business man; and will any one suppose that duties so onerous and so responsible can be added to those at present to be performed by the collectors of the customs? Will any one desire that such duties and responsibilities should be confided to a mere clerk in the office of the collector? He thought not. Then the provision, or some one of a similar character, was indispensable, and its rejection would endanger the safety of the public money, embarrass the operations of the Treasury, and put in jeopardy, if not defeat, the successful action of the whole system.

The sixth section of the bill was, in substance, the first section of the bill reported by the committee at the extra session; the only alterations being those required to make it conform to the provisions which were before it, and which he had already noticed. It declared what officers of the Government should be depositaries, embracing, in addition to those named in the former sections, collectors of the customs, receivers of public money at the land offices, postmasters, and some other classes, and assigned generally the duties to be performed by them in this capacity.

He would now pass to section ten, which required but a single remark. It conferred a general power upon the Secretary of the Treasury to transfer the money in the hands of any depositary to the custody and keeping of any other depositary, as occasion might require. This provision was necessary, as well to give the Department control over its own affairs, as to enable it to consult the safety of the public money, and the calls of the public service. If money accumulate, at any given point, to an amount which, from the smallness of the officer's bond, or from any other cause, the Secretary shall have reason to fear is, or may be, unsafe, he should be authorized to transfer it, or any portion of it, to a place of safety. If money accumulate at points where it is not wanted for disbursement, he should have the same authority to transfer it to a point where it is so wanted. If a depositary be located at a place remote from any bank, and any office of safe-keeping, similar authority will be required to transfer his collections for deposite. These, and many other occasions, will arise for the exercise of this power to make transfers.

The twelfth, thirteenth, and fourteenth sections, contained provisions to authorize special deposites of public money for safe-keeping, at all places where there was no office for the safe-keeping belonging to the Government. The only parts of the sections which it would be material for him to notice, were those which defined the character of the deposites. They are made strictly special, and a broad discretion is given to the Secretary of the Treasury as to the measures he will adopt to secure to them that character. In case he shall think it wise to do so, he is authorized to provide iron safes to be placed in the vaults of the banks, for the exclusive keeping of the public money, and so constructed that they may be under the joint control of the bank and the depositing officer, so that neither can gain access to the money without the consent and aid of the other. A further condition is, that nothing but gold and silver, and paper issued upon the authority of the United States, and made, by law, receivable in payment of the public dues, shall be offered for deposite by the depositaries, or received on deposite by the banks. It is further provided, that all deposites shall be carried upon the books of the bank to the credit of the officer making the deposite, and not to the credit of the Treasurer of the United States; that neither the Treasurer, nor the Secretary of the Treasury, shall draw upon the bank for disbursements or transfers and that the money deposited shall not be withdrawn from the bank, by the officer to whose credit it stands, without an order from the Secretary of the Treasury for the payment. A commission upon the money deposited is proposed to be allowed to the banks for their trouble and risk, but as the committee had no information as to the rate of commission which it would be safe for Congress to fix as a *maximum*, and not incur the danger of so limiting this compensation as to induce the banks to refuse the deposites altogether, they have reported the bill in blank in this respect.

These provisions, it would be seen, were very close; and it had been suggested, as well by some of the friends, as by the opponents of the bill, that they were so close as to render it possible, if not probable, that the banking institutions would reject them on that account, upon the ground that they carried upon their face a distrust of the solvency and responsibility of the institutions, or of the integrity of their officers and managers, or both. He would detain the Senate a few moments to examine these objections; and, first, if he understood the matter, and the law of the case, the idea of distrust as to the solvency and responsibility of the banks, arising from these provisions, seemed to him to be a forced and unnatural inference. If such an idea could grow out of any part of them, it must be that part giving to the Secretary of the Treasury a discretion to furnish safes for the exclusive keeping of the public money, to be under the joint control of the bank and an officer of the Government. This would constitute the deposite entirely special; and, as he understood the law, the bank would not be responsible for such a deposite beyond the obligation of ordinary care and vigilance in its safe-keeping. In the incidents of property, respon-

sibility, and risk, there was scarcely a resemblance between a deposite of this character, and a general, open deposite. In the latter, the property is changed the moment the deposite is made. The money becomes the absolute property of the bank as much as its own capital, and the Government receives its credit, or promise to pay, in its certificate of deposite, in exchange for the money. No matter, then, how the money be lost, if it be lost, the indebtedness of the institution upon its certificate is not changed thereby, nor can it be discharged by any act of the debtor other than payment. In such deposites, therefore, the solvency and responsibility of the bank becomes the first subject of inquiry and examination for the depositor. Not so in cases of special deposite. There the property is not changed; the specific thing deposited remains the property of the depositor. If it be money, it would be a violation of the law, and rules of the deposite, for the bank to exchange it, for any purpose, for the same amount of money of an exactly similar character. It is the identity of the article, and the property in it, which gives it the character of a special deposite; and if that article be converted by the bank, although instantly replaced by an exactly similar article in every respect, the identity and property are both gone, and the option of the depositor alone must determine whether his indemnity shall be the responsibility of the institution or the article tendered in exchange. Hence the different liabilities of the bank in the two cases. In the first, it purchases the money with its credit, and thus contracts a debt which it is unconditionally liable to pay; in the second, it derives no property from the deposite, and is a simple bailee, with or without compensation, as its contract of deposite shall determine; but, in either case, only liable in case of want of ordinary care and vigilance in the safe-keeping of the thing entrusted to its keeping.

In the provisions for the special deposites provided for, therefore, the Government only proposes to hire the security of the vaults and safes of the banks, for the keeping of its money, and the ordinary care and vigilance of its officers, in guarding it while there. Beyond these, it has nothing to do with the capital, solvency, or responsibility of the institutions. How, then, can it be supposed that the provisions are intended to carry distrust upon their face against the solvency and responsibility of the banks? If the vaults be safe, and the integrity of the officers, their vigilance and care, tried and known, an insolvent bank is as safe a place for a special deposite as a solvent one; a bank unable to pay its debts, as a bank abundant in its means beyond its liabilities. Either can keep as safely and faithfully the property of another, placed in its vaults, while the creditors of neither can avail themselves of a special deposite, whatever it may be, without the assent and aid of the officers of the institution. How unnecessary, therefore, to declare distrust upon the face of a law, when almost all interest in the just grounds for that feeling is put at rest by the nature and character of the deposite to be made? And how unnatural to infer such distrust from language which does not necessarily convey it, when the character of the contract proposed to be made does not require the inference.

It was further alleged that the provisions conveyed imputation against the integrity of the officers and managers of the banks, and that, therefore, they would not contract with the Secretary of the Treasury for the deposites proposed. Was this a fair construction of the provisions of the bill? Was it an improper or ungenerous distrust of the integrity of those who had the management of these institutions, and the care and custody of the property placed in their charge, to set guards over their conduct? What did the bill propose in reference to the officers who were to be entrusted with the safe-keeping of the public money? They were required, not only to give bonds for the faithful performance of their trust, but a breach of that trust, in the use of the money, for investments, loans, or in any other manner whatsoever, was declared a crime which should subject the perpetrator to indictment and infamous punishment; to protracted personal imprisonment, and to a fine equal to the money embezzled; and, consequently, to perpetual disgrace and infamy. Was this a suggestion, upon the face of these provisions, of distrust of the honesty and integrity of these officers? Was every honest and honorable citizen of the country bound to reject these offices, when tendered to them, because the law under which they must act, in providing penalties for their misconduct, or guards against it, conveyed to the public a distrust of their integrity? Had any statesman ever supposed that, in naming penalties and punishments in a law for violations of official duty or official trust, he was drawing out imputations against the integrity and trustworthiness of the officers who were to hold places under it? He could not so suppose. He could not subscribe to this doctrine; and he would ask if incorporations, incorporeal existences, were to be treated more delicately, in our legislation, than that class of citizens who would be selected by the President, and approved by the Senate, for high and responsible public trusts? All must answer no; and, so answering, all must concede that there was no foundation for this objection to the provisions. Incorporations could not be subjected to indictment and punishment, as there was no real person upon whom the punishment could be inflicted. This check could not be imposed upon their officers and agents, because it would be impossible to determine who was guilty in form only, and who in fact, when every act must be that of an agent who may have no discretion. If, then, physical restraints are interposed as to these institutions, to accomplish the ends which are reached by penal enactments in the case of natural persons, is the offence to delicacy of feeling, the affront to honor or integrity, greater in the former case than in the latter? He could not see that it was; and he must think that both of these objections displayed a degree of over-wrought sensibility towards the banking institutions of the country which their sagacious managers would see should not govern their conduct.

There was a single other view of this subject which he must present, and he would pass on to other provisions of the bill. It was the intention of the committee, who drew and reported the bill, to make these deposites strictly special; to prevent the banks from any use of the money deposited;

and he believed the provisions to which he had referred, if faithfully executed, would accomplish that intention. If the banks should receive the money, under this understanding, and with an intention on their part to carry it out in good faith, what would be their true interest in this matter? Would it not be to have their power to use the money placed beyond question? To have physical disabilities interposed between them and that portion of the public treasure committed to their charge? Observation and experience must, already, have taught them that the distrustful eye of public opinion follows the public treasure, and, unless the most efficient guards are provided by the Government, and assented to by the banks, will not the most injurious suspicions of a breach of their trust be likely to rest upon them? Ought they not, for their own indemnity, to desire that the use of these moneys should be placed beyond their power? And will they not have some just reason to apprehend that objections on their part may give rise to suspicions as to their disposition faithfully to execute the trust in conformity with its intentions?

The fifteenth and sixteenth sections provided checks upon the various depositaries constituted by the bill. The first authorized the Secretary of the Treasury to appoint special agents, whenever he may find it necessary, to inspect the books, accounts, money on hand, and other business of any depositary. The principal object of this section, as he understood that object, was to enable the Secretary, whenever the returns of the officer, information communicated by third persons, or any other information, should authorize a suspicion that all was not right with any one of the officers entrusted with the safe-keeping of public money, to appoint some competent citizen, as a special agent, to present himself, unexpectedly, with authority to examine the official transactions of the officer, to detect and correct error, if error should be found to exist; to expose fraud and bring the officer to punishment, in case dishonesty should be detected; and to justify innocence, if suspected without foundation. It was true, the section made these examinations compulsory, at long intervals of one year, in cases where the amounts collected usually exceeded a just proportion to the amount secured by the bond of the officer; but this part of the section he considered of much less importance than that he had before noticed. He considered its principal utility to exist in the authority to appoint an agent unknown to the officer, and who might come upon him in an unprepared state. If the agent were to be one permanently appointed, and publicly known, one whom the officer might watch and guard himself against, he should consider it not worth retaining. He was aware that, in its present shape, it was objectionable to some of the friends of the bill; and, with this exposition, he submitted its adoption or rejection to the sense of the Senate. It was an exact transcript of a section contained in the bill which passed the body at the extra session, and as it was inserted upon the suggestion of the head of the Treasury Department, he presumed the suggestion had proceeded from a similar provision contained in the laws which regulate the Post Office Department, and which had been of great use in detecting frauds connected with the extended operations of that Department; but should it be thought that such a provision would not be beneficial, as connected with this bill, he should not consider its removal as materially marring the system intended to be constituted.

The sixteenth section made it the duty of the surveyors of the customs, naval officers, registers of the land offices, directors of the mints, and some other officers, at the expiration of each quarter, to examine into, and report to the Secretary of the Treasury, the state of the accounts, and money on hand, of the depositaries in their districts, or immediate connection. These were checks obtained through the instrumentality of existing officers; were wholly without expense to the public; would evidently be of material service, as guards upon the depositaries, and as contributing to a uniformity and system in the keeping of the accounts of those officers, and he presumed would meet with no objection from any quarter.

He would pass now to the twentieth section, which required every officer, charged with the keeping of public money, to keep an accurate account of the kinds of money received and paid out; the object of which was to prevent these officers, without detection, from receiving and paying out to the public creditors a depreciated currency, and also from making exchanges of the currency received, in a manner which should be injurious to the public interests, or to the rights of those who might receive payments from the officer, of demands against the Government. The same section also declares that any use of the money in his hands by any depositary, by way of investment in any kind of property or merchandise, or of loan, with, or without interest, or in any way whatsoever, shall be a high misdemeanor, for which the officer convicted thereof, shall be imprisoned for a term of not less than two, nor more five years, and shall pay a fine equal to the amount of the money so used. He believed this was a new feature in the legislation of Congress. He had not found any case where a law imposed criminal punishment for the misuse or misapplication of money by a public officer but still he believed the provision sound in principle, and that it would prove salutary in practice. He had examined very superficially the legislation of other countries upon this point, and he found that many of the nations of Europe, from which we had copied most of our public laws, made this act a felony, with much more severe punishment than is here proposed. He had heard no objection against this feature of the bill from any quarter of the House, and he hoped there would be none.

The twenty-first section might not be considered by some as peculiarly appropriate to this bill; but he trusted to be able to satisfy the Senate that it connected itself with its provisions in a very important manner, and ought to form a part of it. The section made it the duty of the Secretary of the Treasury, when there should be an amount upon deposite to the credit of the Treasurer beyond the sum of four millions of dollars, to invest such surplus in stocks of the United States, or of some one of the States, bearing an interest, and tran

ferrable at the pleasure of the holder, by delivery or assignment; but it prohibited the Secretary from becoming a subscriber to, or purchaser of, any new stocks about to be issued by any State, and thus prevented him from holding out any inducement to any State to issue stocks with a view to these investments. It also directed him, whenever the money in the Treasury, or standing to the credit of the Treasurer with the several depositaries, should be less than four millions, to sell so much of the stocks, in which any surplus should have been invested, as would keep the money in the Treasury at that amount, or as his information might satisfy him the wants of the Treasury would require.

Provisions of the character contained in this section were not new to the Senate. They had been, upon a former occasion, introduced there by himself, as a mean of disposing, in the most safe and profitable manner to the Treasury, and in the way he thought would prove most convenient to the business interests of the community, of a large surplus of public money on deposite in the banks. A different disposition of that subject seemed preferable to the Senate, and the provisions for investment did not meet with favor. He entertained a strong hope that their natural connection with this bill, and with the salutary workings of the system for the management of the public finances provided for by it, would give to it a different reception at the present time.

It was found that the wide-spread operations of the Treasury required about four millions of dollars constantly on hand, including the amounts *in transitu*, and the million, or thereabouts, constantly employed at the mints, but that accumulations beyond that sum were, at all ordinary periods, accumulations to be kept, not acted upon, for the time being. To avoid, then, the risks of keeping, which formed a material objection with those who opposed the bill, and to avoid accumulations of money to be locked up from use, which formed another and much more weighty objection against the system in the arguments of those who had hitherto opposed it, these provisions were made a part of the bill itself, and he must suppose that these considerations would, at this time, and in this connection, render them acceptable to many, who, upon their introduction on the former occasion alluded to, could not yield them support. He must confidently believe that, to those whose minds had been influenced by the objections he had repeated, they would constitute a positive merit, as a part of a bill otherwise, in their estimation, defective.

There was another aspect in which he wished to present these provisions. The constant experience of the Treasury Department, since the final extinguishment of the national debt, had shown the necessity of some elastic provision in our legislation upon the subject of the public revenue and expenditures, which would accommodate itself to the varied conditions of the Treasury, or, rather, which would enable the head of the Treasury Department so to manage the national finances, as that the Treasury may be at all times prepared to meet the calls upon it, and that an amount of money should at no time be hoarded therein, to the injury of the business of the country or its citizens. During the existence of the public debt, the provisions of law, and appropriations of money connected with it, furnished this regulator for the state of the Treasury. The applications of money upon the debt were at all times governed by the surplus of revenue over the expenditures, while all the unexpended balances of appropriations, after a limited period, passed to the sinking fund, and were absorbed in the debt. A troublesome surplus of revenue, therefore, could never exist, while that application remained open. On the other hand, as the appropriations for the year were carefully provided for before any application upon the debt, it was scarcely possible that any contingency, not foreseen during the regular annual sessions of Congress could occur, to disenable the Treasury to meet the demands upon it, arising under the current appropriation bills. The amount of revenue intended for application upon the debt would always be sufficient to meet any disappointment in the accruing receipts into the Treasury. That time, however, had now past. The debt was paid; and, from the necessity of the case, and the state of the legislation of Congress, experiments had been made to measure the actual appropriations by the estimated revenue, and to make them come out even. For the first few years of this trial, from a state of circumstances not at the time sufficiently considered, but now clearly and properly estimated, the revenue got largely the better of the appropriations. This gave rise to the bill directing a deposite of the surplus with the States; and again the actual appropriations and the estimated revenue were attempted to be equally measured. A revulsion in the trade, and business, and banking, of the country came: the anticipated revenue was cut short, and that portion of it which rested upon credits, could not be realized. Indeed, the very money on deposite in the banks, to the credit of the Treasurer, could not be commanded, and, comparatively, the whole anticipated means of the Treasury were either not realized, or placed beyond its control. Still the appropriations were in force, the expenditures were going on under them, and could not be arrested, and a special convocation of Congress became necessary, to preserve the faith of the Government, and enable the public Treasury to meet the just demands upon it. What followed was fresh in the recollection of the Senate and the country; and he would not consume the time by a repetition of the measures of relief to the country and the Treasury, adopted at that session.

He had mentioned these facts to show the necessity of some provision to guard against these disappointments in the accruing revenue, as well as to prevent the evil of a hoarding of money, when the revenue should overreach the appropriations. In either sense, he considered the provisions of the section of the first importance, and he entreated Senators not to suffer past recollections to prejudice their minds, but to examine these facts; to permit our late experience to have its due weight; to reflect how frequently similar disappointments, as to the revenue, might be experienced—how often surplus amounts of revenue might alarm the public mind, as to the safety of the public treasure; and then to decide upon the adoption or rejection of the section.

The only remaining section which he would no-

tice, as connected with the first great object of the bill, was the twenty-seventh. This section authorizes the Treasurer of the United States to receive, at the Treasury, and at such other places as he shall designate, payments of money, in advance, for the purchase of public lands, and to give a receipt for each payment, which shall be current at any of the land offices, at any public or private sale of lands. Since the bill had been reported, he had become convinced that this section was too loosely drawn, and required to be amended. These receipts might be taken and treated as negotiable paper, and might, as the section now stood, be given in a form which would make them so upon their face. This would subject the bill to the imputation of authorizing the emission of a paper currency, based upon the public lands; a thing by no means intended by himself, and he was sure not by any member of the committee who assented to the report of the bill. He had, therefore, prepared an amendment, declaring that the receipts to be given by the Treasurer, pursuant to the provisions of the section, should not be negotiable or transferrable, by assignment, or delivery, or in any other manner whatsoever; but that every such receipt should be presented at the land office by, or for, the person to whom it was given, as shown upon its face. In this shape he hoped the section would not be objectionable upon the ground above stated, while he thought it would be apparent that its general provision would be of great convenience to those purchasers of the public lands who were to emigrate from the old States, and to carry with them the means to make their purchases. It would save them from the trouble and risk of transporting money of any description, and also from the danger of taking, to so distant a portion of the country, a currency which would not answer their purpose when there. It was not apprehended that the Treasurer would be called upon to select many points as places where these payments might be made. Perhaps the points at which it was proposed to keep offices for the deposite of the public money would be sufficient, and perhaps a few other principal places might be selected with increased convenience to the public. A certificate of the deposite of the money at any designated point, transmitted to the Treasurer, would command the required receipt from him, as well as the actual payment of the money at the Treasury itself; and as this could be done through the mail, the party making the payment would be saved the expense of a journey to the Treasurer's office in this city.

A further and material advantage to the banking institutions, he was assured, would be derived from the adoption of this section. The notes of specie paying banks are now authorized to be received for all payments, except for lands, and if this bill passed, would be receivable, as well for lands as other public dues, to a greater or less extent, for six or seven years yet to come. Still a citizen of the old States, about to emigrate to the new, and having the money for the purchase of his lands in the notes of specie paying banks of the old States, would not venture to take those notes as the means of payment, because there would be a danger that the land officer, to whom he might wish to make payment, would not receive the notes of even specie paying banks so remote from the place where alone they could be converted into specie. The emigrant would be compelled, therefore, to present the notes, convert them himself, and take the specie as his means of payment, unless the provision now proposed, or some one of a similar character, should enable him to make the payment before his journey is commenced. The experience of the past had proved that this was the course pursued by the emigrants, towards the banks in the vicinty of their former residences, and pursued from compulsion; but he had been informed that during the short period, in the summer of 1836, when payments for lands were actually received at the office of the Treasurer in this city, large amounts were paid and received, and that the banks here, and in the adjoining States of Virginia and Maryland, experienced sensible and material relief from the practice.

He would here close his examination of the first class of the provisions of the bill, and give a very brief attention of the second: those relating to the proposed change in the currency to be received in payment of the public dues.

The principal and controlling provision upon this subject was to be found in the twenty-third section of the bill. The section was long, and contained much detail, but the principle adopted by it was simple and intelligible; it was merely a gradual change, from the currency of specie paying bank notes, to the legal currency of the country. The change was to commence after the close of the present year, and was to cover the full period of six years, making the change applicable to one-sixth part of the accruing revenue of each, beyond that of the next preceding year. He could most easily make the Senate acquainted with this section, by saying that it was, in substance and principle, the provision offered by the honorable Senator from South Carolina, (Mr. CALHOUN,) by way of amendment to the bill reported by the committee to the Senate, at the extra session, in September last. The only material change made by the committee, had been to extend the gradation of the change in the currency from fourths to sixths, so as to require six instead of four years to make the change entire. The section might not be drawn in the same words used by that Senator in his amendment, but, with the exception just named, the substance was identical.

This was a feature of the bill which former experience assured him would be more strongly contested, perhaps, than any other of its provisions. It would be recollected by the Senate that, at the extra session, the committee had incorporated into their bill no provision in reference to the currency in which the public dues should be received, and that their opinion had been then expressed to the body, that it would be most expedient to legislate upon each of these great points separately, and by separate bills. A different opinion was strongly expressed at the time by several Senators, and different amendments touching this subject of the currency were early offered to the bill which the committee did report. After full debate, and by deliberate votes, the amendment proposed by the Senator from South Carolina was adopted, and made a part of the bill. Under these circumstances,

the committee had felt constrained, in making their report at this session, to include this provision in that report, and to make it a part of the same measure which should separate the finances of the country from the banking interests of the country. Hence is the section now found in the bill presented by the committee, although it was not a part of their former report. Still it presents a question of deep interest, of great magnitude, and upon which there is great diversity of opinion and great delicacy of feeling, as well throughout the country as in this and the other house of Congress.

It was not his purpose, at this time, to discuss the section, except in one aspect, but in that one he must make some suggestions. The alarm taken at the provision had relation principally to the State banks, and it was in reference to the interests of those institutions that he proposed the suggestions he was about to make. The proposition is, gradually, and after the term of some six or seven years, to discontinue the receipt of their notes in payment of the public dues, although they may be, at the time, specie paying banks, and their notes may be convertible into specie, at the will of the holder, at their banking house, wherever that may be located. The objection is, that this rejection of the paper of these banks, on the part of the National Government, will so far discredit their circulation generally as to cripple their operations, destroy their powers of usefulness in the local sphere of their legitimate operations, and finally annihilate them. Is there ground for this apprehension? How are the charters of the State banks obtained, and for what purposes? Is it that the circulation of their notes shall extend over the whole Union? Is it that those notes shall take with them, wherever they may go, the faith and credit of the United States, and be the legal currency of the Federal Government at every point and place in these twenty-six States? No: no such idea ever entered into the mind of any man, who, as a member of the Legislature of his State, has voted for a local bank charter. The only ground upon which those applications are pressed upon the State Legislatures is, the accommodation of the commerce and business in the immediate vicinity of the proposed location of the bank. Look at the statistics which are always made a part of the argument in favor of a particular State charter. Are they the statistics of the Union? No: they are the statistics of the village, or town, or county, embracing the location of the proposed bank, and they are intended to prove the necessity of the banking facilities proposed to be furnished by the charter at that point. Did any man ever suppose, then, that the State Legislatures, to which these applications are so constantly and perseveringly addressed, considered themselves, in their very liberal grants in this way, to be authorizing a currency for the whole people of the United States, and especially a standard of currency for the Treasury of the United States? No. Such a position would not be assumed by any man here, nor would it by any man in the country. Where, then, arose the obligation of this Government to receive the notes of these institutions, thus chartered, and for such purposes, in payment of the public dues? He could not see either the obligation or the duty; and certainly no one would contend, in case the notes were to be received, that they should be kept on hand as the money treasure of the whole people.

How, then, were they to be disposed of in a manner to consult the safety of the public funds, in case they were to be perpetually received? This question admitted of but one answer. They must be presented, at short intervals, to the banks which issued them, and converted into money, into the legal currency of the country. In conformity with this manifest principle, the bill provided that these notes should not be made matters of deposite, under the regulations it contains for special deposites in banks. It would be folly to deposite, merely for safety, the representative of value, in the place of the value itself, where the open option existed to constitute the deposite of the one or the other. Which would, then, be most useful to the State banks: to receive their notes as cash at the Treasury, and constantly convert them into specie, or gradually to discontinue that receipt altogether, and collect the revenue in the legal currency only? To allow them from six to seven years to conform themselves, their business, and their conditions, to the changed state of things; or to commence immediately to receive their notes for the public dues, so far as those notes are redeemable in specie upon demand at their banking-houses, and to present them for payment, at short intervals and in large masses? For himself, he must say he thought the provisions of the section in question were more mild, and more favorable to the State banks, than the alternative he had contemplated. The subject, however, was before the Senate. It would be discussed by others, who had bestowed more thought and more research upon this particular point than he had; the merits of the question, in every aspect, would be fairly and fully presented, and he would content himself with whatever decision should be made. Should this proposition not meet with favor, he should ask the sense of the Senate upon the alternative, and he would not permit himself to doubt that the one or the other would be adopted.

The twenty-fourth section was merely calculated to carry out the one which preceded it, by making it imperative upon all disbursing officers, after the time when the whole revenue should be collectable in the legal currency of the United States, to make all their disbursements in the same currency, upon penalty of dismissal from office, and a forfeiture of any compensation which might be due to them at the time of their violation of the law. The twenty-fifth section might, perhaps, be considered as somewhat connected with those which have gone before it, as it requires the Secretary of the Treasury to prescribe the times within which the drafts of the Treasurer, drawn upon the various depositaries, according to their respective distances from the seat of Government, shall be presented for payment, and after which time they shall not be accepted and paid by the depositary, without new directions from the Secretary. The object of this section, it will be seen, was to prevent these drafts from being made a currency for circulation, based upon the credit of the Government. Since the suspension of the banks, in May last, this use has been made of these drafts, to some extent, and it was thought desirable to check the practice in its inception. The section was copied

rom a provision of the bill which passed the Senate at the extra session, and which was inserted n that bill, as an amendment, by the Senate itself.

He would relieve the Senate and himself from ny further observations as to the details of the ill. He had omitted several of great importance; nd among them he would mention those which nade provision for the official bonds of the several depositaries. He believed those provisions broad nd ample, and such as were best calculated to secure the public treasure; and he thought every Senator, upon examination, would agree with him in his opinion. He would not attempt to particularize the other sections which had not been noticed, but would merely remark that none of them introduced any new principle into the bill, and that he thought all would be found to reach the object intended by them.

Such, Mr. President, said Mr. W. is the system which the majority of the Committee on Finance have considered it to be their duty to present to the Senate for the safe-keeping, transfer, and disbursement, of the public money of the United States. This system is strenuously opposed, not by the political party uniformly opposed to the present Administration only, but by some of the respected and influential individuals among those who have, hitherto, been its friends and supporters. What, then, is proposed by those who cannot give their support to the bill before you? The system of State bank deposites seems to be more especially urged as the antagonist proposition, and, under the impression that there was to rest the present controversy, so far as distinct propositions of any character would be submitted to the Senate, he proposed to institute a comparison between the advantages and disadvantages of each system, as connected with the prominent objections which had been, heretofore, urged against the provisions of the bill.

First, then, as to the safety of the public money under the system proposed by the bill, and under the State bank deposite system.

The bill proposes to require ample and sufficient bonds and sureties from all the depositaries constituted by it, as one step towards the safety of the money entrusted to the keeping of those agents.

It also proposes to provide vaults and safes at the most important points of collection and disbursement, in this respect placing itself upon a par with banks, so far as physical securities are concerned.

It further proposes to adopt the use of the vaults and safes of the banks, at all places where those securities are not provided by the Government, using the banks for safety simply, by the system of special deposites, and not in any sense as fiscal agents of the Treasury.

These are the guards which the system constituted by the bill holds out to the people against the loss of their treasure.

The State bank deposite system presents the capitals of the institutions as security for deposites, in the same manner as for all other liabilities of the incorporation.

It also presents its vaults and safes, constructed for its own security, and, it is fair to presume, as securely constructed as those proposed for the Government.

It next presents, as we have heretofore practised under it, collateral bonds, with sureties, for the due and faithful fulfilment of its engagements on the part of the bank.

These are the protections to the public treasure offered by the State bank deposite system, supposing, as he did, that the system, if continued, was to remain upon the plan of open or general deposites, as adopted in the deposite bill of 1836. Otherwise, as he had shown in a former part of his remarks, the capital of the bank would not be liable, except for gross negligence in the keeping of the money placed in its vaults.

What, then, are the risks under each system?

Under that proposed by the bill, the only single risk is that of the misconduct and dishonesty of the officers to whom the safe-keeping of the money is entrusted, and that conduct, in addition to all other legal liabilities, is made a high crime, and punishable with protracted personal imprisonment. The persons to whom this trust is to be confided, are such citizns as the President, with a full knowledge of the duties, responsibilities, and temptations, shall select and nominate to the Senate, and as the Senate, upon full examination, shall advise and consent that the President do appoint and commission to execute the trust. The risk is that these persons will be dishonest; that they will become insensible to standing and character; that they will violate their faith to their sureties and their country; that they will embezzle the public money in their hands, and thus subject themselves to infamous punishment—to imprisonment with rogues and felons for a term of not less than two years.

One of the risks under the State bank deposite system is the same misconduct and dishonesty of the officers, agents, and managers, of the banks, and they are numerous, and many of them selected to perform subordinate duties. Without any imputation upon the institutions, therefore, or their principal officers, it cannot be unfair to assume that many of the persons who must have access to their books, accounts, and money, will not be persons of that standing and character which would be required, by all concerned, in the selection and appointment of responsible public officers. In the case of the bank, too, the persons who must have access to the money in its charge are numerous, while under the other system the single depositary alone has such access. Again, the misconduct and dishonesty of the officers and agents of the bank are not made criminal and punished as crimes. If committed, so far as the Government is concerned, they are mere breaches of trust, and incur a debt; they lay the foundation for a suit at law to recover the money embezzled. Can it, by possibility, be supposed that these risks are equally balanced? He knew that, upon a former occasion, when this same subject was under discussion, we had had paraded before us a long and most unpleasant list of defaulting public officers, but it had not been stated at what periods those defaults had occurred, or what was their aggregate amount. He had never, upon any occasion, examined the list with much care, as it was not a matter of entertainment to him to see these evidences

of unworthiness in those who had sought and obtained public patronage and public trust. He had, however, referred to the list sufficiently to learn that nine-tenths of the defaults recorded upon it had happened during the prevalence of a system of bank deposites of some sort; and he thought it would be found, upon careful comparison, that a large majority of them had taken place when a national bank, that great security, in the minds of many, against all pecuniary evils, was the sole depository of the national treasure. The defaulters were mostly disbursing officers proper, such as paymasters of the army, pursers in the navy, and the like, or postmasters, who had never, until very recently, been legally connected, in any way, with the Treasury, or contractors upon the public works. All these classes of persons, except postmasters, must always, and under any system, have the same opportunity to misapply public money; and their defaults, therefore, were no more an argument against the system proposed by the bill, for the safe-keeping of the public money, than against any other system which could be devised or named. He had already said the amount of these defaults had not been stated. He did not know the amount, but this he would venture to affirm, without the fear of contradiction, that the whole amount of losses to the Government, from the defaults of public officers, since its organization under the Constitution, would be but a fraction of the losses which it had sustained from its connection with State banks alone, setting aside the forty years of the period when a national bank was the sole fiscal agent of the Treasury. Here, therefore, the State bank system gained no advantage in the argument. He was most happy to be able to say that, in comparison with the vast amounts which had been received and disbursed, the losses under any system hitherto adopted had been very small; and it made him proud of his country, and of her citizens, to state a fact which had been given to him from high authority, since the subject of entrusting the money of the people with their own officers had been one of discussion before the country. The fact to which he alluded was that the whole disbursements of the army, from the year 1821, to the year 1836, both inclusive, amounting to several millions in each year, had been made through the hands of the public officers appointed for that purpose, and that not one dollar of loss had accrued to the Government from those appropriations, during the whole of that period. Ought not this fact alone to inspire confidence in the trustworthiness of our public servants? It seemed to him so: and he must say he could not comprehend how it was, after all the experience which our former and recent history had afforded, that gentlemen of the most unquestioned integrity should feel and manifest so much distrust against the public officers of the Government—men of elevated standing and character, and directly accountable to the people and their representatives, as well as to the civil and criminal tribunals of the country—and should, at the same time, and in reference to the same subject, repose such implicit and unmoved confidence in the incorporated banking institutions of the States, and in their offices and managers. Did they believe that the transfer of a citizen from private life to a public office necessarily poisoned his integrity, while a similar transfer to a situation in a bank rendered him worthy of all trust? No. They could not so believe. The fact could not be so. The honest man would be honest in either situation. The dishonest man would be honest in neither. He knew that public officers sometimes became defaulters; and he must be permitted to ask how frequently the public sense was startled by announcements, through the public press, of the defaults and embezzlements of the most confidential officers of banks? All were frail and erring men, and some alike in both classes would prove unequal to the resistance which the temptations of their situations required; but he could not see that either system derived any advantage over the other, from this consideration while he did believe that the bill under discussion proposed guards against this risk, which would be found more beneficial in practice than any hitherto known to the legislation of Congress.

So far as vaults and safes were concerned, he had already admitted that each system possessed equal advantages, and from what had been said, it would be seen that, to a very great extent, these securities, as applied to both systems, were identically the same.

But there is another, and much more important risk connected with the bank system. It is, that all moneys placed with the banks for safe-keeping upon open or general deposite, are necessarily subjected to all the hazards which attend the business of the banking institutions. We have already seen that the money thus deposited becomes at once the property of the bank; and that the depositor receives, in exchange for his money, the simple credit of the institution. If, then, its credit be subjected to the hazards of the banking business, so must be the money placed on general deposite with it, as that money is merely converted by the depositor into that credit. By adopting this system, therefore, for the safe-keeping of the national treasure, we embark the money of the people in the same boat with the capital of the bank; we subject it to all the hazards to which that capital is subjected, and we substantially agree, so far as our reliance is upon the capital of the institution for indemnity, that, if the adventure be fortunate, our money shall be safe; but that, if it be unfortunate, the risk and the loss shall be ours. We are not, however to be placed in the condition of the owners of the capital of the bank. We are not to share in the profits of a fortunate hazard. Our only object is safety for our money; and to gain that, we take our share of the risks, without any interest in the contemplated profits from them. Who will contend that these risks do not fully balance the safety we derive as the consideration for incurring them? The bank system, then derives no advantage in the argument from the security afforded us by its capital, so long as it subjects us to all its risks without any share in its gains.

Let us now balance the account, as far as we have gone, and see which system has the advantage. In the security of vaults and safes both are equal. The security afforded by the capitals of the banks is counterbalanced by the risks it compels us to take, growing out of its banking operations.

hout any share in the profits of those opera-
ns, if fortunate. This balances this item of the
count. In the risk growing out of the miscon-
ct and dishonesty of officers, managers, and
ents, the system proposed by the bill has a de-
ed advantage, in the number of persons to be
sted, the standing and character of those who
ve access to the money, and the guards against,
d punishment of, embezzlement. In the bonds
d sureties both systems would be, *prima facie*,
ual; but we have been recently told, by a dis-
guished Senator, (Mr. WEBSTER,) that the col-
eral bonds given by banks are useless paper;
t they are always signed by officers, directors,
d stockholders, of the bank for which they are
reties, by persons whose business and fortunes
e interwoven with the business and fortunes of
e bank; and that when it fails the sureties upon
r bond must fail with it. He hoped this posi-
n was not true to its full extent; but he must ad-
t that it was likely to be true in a very great de-
ee, for who would become security for a bank,
t the persons interested in it? These institutions,
m their nature and character, could neither re-
ve nor reciprocate any other friendships than
se of interest, and therefore they could only look
the interested to find sureties for their engage-
nts. Not so with the public officer. He would
ve no business relations. His official duties
uld require his whole time, and whole mind.
he discharge of those duties would call for no
nk facilities. His sureties would be friends;
n wholly disconnected from him in business,
d whose properties and responsibilities could not
affected by his pecuniary disasters, any farther
an their liabilities upon his bond should produce
at effect. The system proposed by the bill, then,
rived a material advantage over the bank sys-
m, in the safety of the collateral bonds, and thus
ust be admitted, in the settlement of the account,
have two advantages over the antagonist sys-
m, and to be the safer of the two.

Second. He would now carry the comparison
the expenses of the antagonist systems.

And, first, of the expenses under that proposed
the bill. They were the erection of the two
fices at Charleston and St. Louis. It had been
en, however, that the erection of an office at
harleston would be probably avoided; that the
overnment now owned a custom-house at that
ace, and that rooms for an office for the receiver
neral of public moneys there might be procured
that building; that the necessary vaults would be
quired to be constructed, and the rooms fitted up
d prepared for this use, which would be the whole
xpense at that point for erections. The estimate
the Department, for these purposes, was two
ousand dollars. For the expenses of a site, the
ection of the necessary building, and the con-
ruction of vaults and safes within it, at St. Louis,
e Department supposed an expense of from four
ousand five hundred to five thousand dollars would
incurred. From inquiry made of gentlemen
timately and personally acquainted with the
rices of property and building materials at that
lace, he presumed the expense might be above the
timate of the Department. It was said that the
ost of a suitable site, at a proper location within
the business part of the town, would be some three or four thousand dollars at the least. In this event, the estimate would be much too low, and it was just to the Secretary of the Treasury to say that the estimate of the Department was accompanied with a declaration that no local information was possessed, such as was required to approximate towards perfect accuracy. The estimates were from six thousand five hundred to seven thousand dollars. He would suppose they were too low by three thousand dollars, and that an expenditure of ten thousand dollars would be incurred for these erections at the two points. He had been more particular and detailed upon this item of the proposed expenditures, because he was well advised that the most persevering efforts had been made, and were constantly making, to represent the intention to be to erect palaces, and splendid edifices, for these humble offices? He had no other answer to give to these mistakes than to present the estimates of the proper department of the Government—of that department which was charged by the bill with the erection of the buildings not only, but with the direction of the plans upon which they were to be erected, thus showing, as perfectly as mere intention can be shown, the views of the Government as to the scale of extravagance or economy designed by it in this particular; and to say that Congress was the only branch of the Government which could be looked to for the means to make any erections whatsoever, and that its appropriations must measure the expense, and consequently the extravagance or economy of the executors of the law.

The next, and only other item of expense, under the bill, would be the pay of the officers and clerks employed. The number of additional officers whose appointments were provided for was four, and he would assume that their combined salaries would not be less than eight, nor more than twelve, thousand dollars. They were to be placed in responsible trusts, and ought to be citizens of elevated standing and tried moral integrity. He could not suppose, therefore, that any one would wish to assign them salaries of less than two thousand dollars each, and he did not think that the salary of any one of them should exceed three thousand dollars. For the sake of the argument, he would call this expense twelve thousand dollars.

It might be necessary to employ from six to twelve additional clerks, under the various provisions of the bill. Their combined pay might amount to from six to ten thousand dollars. He thought the estimate, both as to the number of clerks, and as to the amount of compensation, very high. Both, however, were his own, as he had asked no estimate from the Department upon this point, and he was willing to assume the highest of his suppositions to be the true standard of expense for these two objects.

These last are regular annual expenses, and are, therefore, to be considered as the constant charge upon the public Treasury of the system proposed. The cost of the erections is a single expense, which, being once incurred and paid, is done with.

What, then, are the expenses of the State bank deposite system? If the deposites are open and

general, and the banks have the use of the public money as a compensation for their agency, the expense is nothing, directly. The use pays for the keeping, as it most assuredly should when the money is not, in fact, kept, but used. He should have occasion, however, very soon, to hint at the indirect expenses to the United States of such a system of bank deposites.

But suppose a system of special deposites be established, and the banks be effectually prohibited from the use, for any purpose, of the money of the people in their keeping, how then will stand the question of expense? A commission upon the money deposited must be paid to the bank for its trouble and risk. He was wholly unable to say what that commission ought to be, or what Congress would be compelled to make it, to induce the banks to accept the trust. He had found, however, from a comparison of various rates of commission with the ordinary amounts of revenue collected under the existing laws, and with the estimate of the revenue for the current year, that one-eighth of one per cent. would amount to from twenty-five to twenty-eight thousand dollars, as the constant and current expenses of a special deposite system.

How, then, stands the comparison? It had been seen that the annual expenses of the system proposed by the bill would, in the payment of officers and clerks, vary from fourteen to twenty-two thousand dollars, and that the last would be the highest amount to which those expenditures could rise under that system, were Congress to adopt it as reported by the committee. The expenditures for erections might be added, if gentlemen chose, and the average made, upon any given number of years, which, in the judgment of any member of the Senate, would afford a fair trial to any financial system, adapted to the operations of the National Treasury, and conforming as strictly to the great mass of private and corporate interests in the country, as the constitutional powers of Congress would permit that conformation to be made. He could not see, therefore, that any system, formed upon the basis of special deposites in banks, could, in point of expense, possess advantages over the bill under discussion. He had not forgotten that that bill adopted a partial system of special deposites, and that it contemplated a payment of a commission to the banks, which should keep the public money pursuant to its provisions; but he assumed that the difference of amount in the above estimate for the respective systems, was more than sufficient to cover any commissions which a fair execution of the provisions of the bill would call out of the public Treasury, to be paid to the banks. The most important points in the country, both as to the collection and disbursement of the public money, were provided for, independently of the provisions for a special deposite. The commissions, therefore, could be made applicable to but a mere fraction of the whole revenue; and, at any contemplated rate, the whole amount could never exceed a few thousand dollars.

He had made a reference to the indirect expenses of an open and general State bank deposite system, where the services and risks of the banks were compensated by the use of the public money. Need he, at this time, and in the present condition of the State banks, and of the public funds, define his meaning in that reference? Why was the special convocation of Congress rendered necessary in September last? Was it not the suspension of the banks to pay specie for their paper, and the consequent inability of the public Treasury to obtain from them, in any currency conformable to law, the millions of the public money entrusted to their safe-keeping, and required for the current expenditures of the Government? No one would deny this position. What the expense to the people of the United States was, for that single extra session of Congress, he had not taken the trouble to inform himself, but this he would venture to assert with perfect confidence, that those expenses more than equalled the money required to carry on the system of finance, proposed by the bill, for any period of ten years. He would not now bring into notice the losses which might yet be sustained before the experiment of the late State bank deposite system should be finally closed. He did not wish to say any thing unfavorable to the eventual solvency, and safety, and security of those institutions. He did not wish to bring any distrust upon them. Much less would he repeat, here, the daily rumors of that portion of the public press which most strenuously opposed this measure, of the entire failure of this and that and the other "pet bank;" of the sixty thousand dollars here, and forty thousand dollars there, and untold thousands somewhere else, lost to the people, by this experiment-trying Administration, in consequence of the employment of these State banks as fiscal agents of the public Treasury. He hoped and believed these pictures were overdrawn; he was content to suppose, for the purpose of this argument, that not one dollar was to be thus lost, and yet he trusted he had shown that the system proposed by the bill, for the management of the national finances, was more economical and less expensive to the tax-paying public, than either a system of general or special State bank deposites.

Third. His next point of comparison should be the patronage conferred upon the Executive branch of the Government by the antagonist systems.

It had been already seen that the system proposed by the bill required the appointment of four additional officers, with salaries of from two to three thousand dollars. This was a direct increase of the Executive power and patronage; but when it should be recollected how many officers, with equal salaries, already existed, and with how much facility officers were added to that number, at almost every session of Congress, and in almost every one of the Executive departments, he must hope that no unreasonable alarm would be felt in any quarter of the house by this very limited addition to the existing number. If they were not to be constitutionally appointed, or if, being so appointed, duties were to be assigned to them not of a character compatible with our civil and political institutions, then the offices ought not to be created, or the duties assigned, regardless of all consequences which the rejection of the proposition might bring upon the country. If, however, the appointments are to be constitutionally made, and the duties of the officers seem to be necessary to the public service, he must be permitted to say that he reposed too confidently upon the intelligence of the American

eople, to suppose they would condemn the measure, because its details called for such an accession of Executive strength to carry out their wishes. He could not permit himself so far to distrust the confidence of our citizens in the Government of their choice, as to believe that they would not feel perfectly safe in the decisions of Congress as to the offices to be created, and in the President and Senate to select the persons to fill those offices.

Was it, could it be, true, that a greater or safer trust was to be placed in local banking incorporations, than could be placed in the constituted authorities of our Government, as organized under the Constitution? Were the tax-paying citizens of our Republic afraid to entrust the safe-keeping of the national treasure to officers of their own choice, and responsible to them and to the laws of Congress, and anxious to confide it to banks, not created by national authority, over which no branch of the National Government had any control, and in the management of which neither the people nor their Government had any voice? He did not believe this was the state of public opinion. He did not believe that distrust towards our national authorities had yet gained this extent. He was not ready to admit that banks, such as our state banks now are, and with the recent experience of the danger of resting the operations of the public Treasury upon them, were more the favorites of the people of this country than their own well-tried and faithful servants.

It was not his wish or design, he would repeat again, to say any thing unjust or injurious to these institutions. Within their proper spheres they were convenient and useful, but recent events had perfectly satisfied his mind that they were not the fit keepers of the treasure or treasury of a nation; that this important incident to national independence ought not to be committed to the charge of institutions whose interests leaned so strongly towards a hazardous misapplication of such a trust.

Was it, could it have been, contemplated by the framers of our system of Government, that they had provided no fit and trustworthy depository of the national finances? That banks, incorporations, private incorporations, chartered for private uses, owned by private individuals, and managed by persons responsible only to the stockholders, must be called in to sustain the most delicate trust under any Government? That the will of these institutions must be consulted as to the terms upon which they would consent to accept the trust, and that all the authorities of the country, Congrsss itself included, must cater with them for terms upon which the money of a free people could be kept and paid out, and as to the character of the currency which either should be permitted to enjoy? Had propositions to this effect been submitted to the convention which framed the Constitution, what would have been their fate? Does any one believe they would now have been found in that Constitution which is the pride of freemen every where? No: such dependence upon such aid would have found no countenance there. Can it find countenance in the Senate now?

Could any one doubt, then, that the people's money should be confided to the people's servants, to their officers, responsible to them and to their laws? and that the appointment of such and so many officers as should be found necessary to perform this trust in a manner safe and convenient to the Treasury, and to the people themselves, was not only in strict conformity with the Constitution, and the very nature of our civil institutions, but an imperious duty upon every Congress? He could entertain no doubts upon either p int.

There was another direct grant of Executive patronage and power under the bill—the authority to appoint the necessary clerks to perform the mechanical duties required, when they could not be performed by the officers to whose keeping the money was to be entrusted—and it had been seen that this might involve the selection and appointment of from six to t velve clerks He would consume no time in commenting upon this grant of power; the mere statement of the fact should suffice.

These two were the only direct grants of Executive patronage which the bill proposed to make; but it seemed to be supposed that the power and influence of the Executive was to be immensely and dangerously increased over all the officers charged with the keeping of any portion of the public money; and this idea formed one of the most weighty objections against the system, How, he would ask, is this inference derived? Not one cent of additional compensation is proposed to be given to any one of the existing executive officers, in consequence of the additional duties imposed upon them by this bill. They were all now subject to removal from office by the President, at his pleasure. Whence, then, was he to derive this increased power over them? Could he command the money in their hands? No: unless he was ready to commit a direct infraction of the Constitution, and the officer to subject himself to protracted imprisonment and infamous punishment. The bill provides that all money, in the hands of every depositary, shall be held as there to the credit of the Treasurer, or, in other words, as in the Treasury; and the Constitution declares that no money shall be taken from the Treasury but in conformity to appropriations made by law. The bill makes any unlawful use of the money, by the officer in whose charge it is, punishable by imprisonment for a term not less than two years. To let the President have the money would be as criminal, under the law, as to let any other citizen of the country have it, and detection would be as certain in the one case as the other. The only difference would be that the President, if he were to make himself the knowing recipient, would subject himself to impeachment for the violation of the Constitution and the fraud upon the Treasury; whereas the citizen would incur no criminal liability whatsoever. Where, then, is the dangerous increase of power given to the President? Suppose he remove the officer: the money is still, in a legal sense, in the Treasury. He gains no access to it by the removal, and if he did, he could make no use of it without a violation of the Constitution. It was easy to see that this system would impose great additional responsibility upon the President, as he must select all the persons who are to be entrusted with public money, and it is his duty to see that they all obey, observe, and execute the law. He would venture the assertion that no honest man who was to hold the office of President,

consulting merely his personal interests and responsibilities, separate from his sense of the public good, would desire the passage of this law. He could see nothing desirable to that officer personally to grow out of it, while he could see a fearful load of personal responsibility in every feature of the system.

But the officers who were to keep the public money, were also executive officers, and perhaps it was here, and not with the President, that this great increase of Executive power was apprehended. The same inquiries were alike applicable to this suggestion. How could the possession of money by the officer, which he could only use in pursuance of appropriations made by law, without subjecting himself to the severest punishment, increase the power and influence of that officer with his fellow-citizens? Suppose he should become corrupt and violate the law. Would not every respectable man whom he should approach, shun and avoid him, and could the certainty of detection give him time to establish an influence, based upon the power of the money embezzled, which would be dangerous to public liberty? Most certainly not. In this, as in the case of the President, the responsibility, not the power and influence, of the officer would be increased.

Such was the view he was compelled to take of the charge of Executive patronage made against the financial system proposed by the bill, in its present form; but the imaginations of some had carried them beyond the present propositions, and induced them to fear that this was the mere commencement, the entering wedge, to a multiplication of Executive officers, until they should cover the whole land, like the locusts of Egypt, and eat out the substance of the people. Where was the foundation for this apprehension? With whom rested the power of increasing officers of any character? Not, certainly, with the Executive. He can act in selecting men for office, when the offices are created by Congress, and, with certain exceptions, he can remove men from office, at his pleasure; but he can create no office, nor can he multiply the number of officers, of any grade or character. This, then, is not an objection against the Executive, but against the legislative power of the Government; it is an objection which implies distrust, not of the President, but of ourselves. And are we afraid to trust ourselves in this matter, or do we stand in so much fear of those who may succeed us in these seats, that we would rather commit the finances of the country to incorporated banks, than to the present or future representatives of the people and the States?

But how stands the objection of Executiye patronage, as applied to the State bank deposite system? The first step in this system is the selection of some twenty, thirty, or more banks, to do which the direct interest of all their officers, directors and stockholders, must be addressed, and, when selected, the same interest is enlisted in whatever contract may be made. Here is, at once, an army of new persons brought within the reach of Executive power, not, like the salary officer, upon stipulated compensations, but whose interests are wholly dependent upon the extent of the patronage bestowed—upon the amount of money entrusted to their charge. Then come up the competitions and appliances to obtain a selection, and the inducement to a vicious Executive to excite hopes and create expectations, throughout the whole line of banking institutions in all the States. But the selections are made, the money deposited and passed to the citizens, among the other accommodations of the favored banks. This creates another influence far more extended and fearful—the influence of the debtors of the selected banks; for when appropriations are made by law, the executive officers—those who are charged with the execution of the law—must direct the drafts which are to bring the money from the banks to meet them. Let any unprejudiced mind compare the influences here embodied with the Executive patronage conferred by the bill under discussion, and can the decision be in favor of the bank system, in this respect?

But there is another view of this matter. He had shown that, under the system proposed by the bill, the Executive could not reach the money in the hands of the depositary without subjecting both to condign punishment. How is it here? Suppose the Executive corrupt, and the bank willing to be corrupted, or the reverse, and what is to hinder his obtaining any amount of the public money he pleases? He takes it not as the money of the people, but as the money of the bank. It is not, in form, a loan from the public money on deposite, but an accommodation in the usual course of banking business; and still, before the depositing officer shall have left the counter of the institution, the Executive may take the money he deposites, and no one is punishable. The depositing officer himself, any other executive officer of the Government, may do the same thing, with equal impunity.

Has the system provided for by the bill, then, any thing to fear from a comparison with that of the State bank deposite system, as to the dangers of an increase of Executive patronage? He could not so suppose.

Fourth. He would now institute a short comparison of what he thought would be the relative effects of the two systems upon the State banking institutions themselves.

The system proposed by the bill would necessarily operate as a check upon the issues and expansions of those institutions, in either shape in which it had been proposed to pass it. If the notes of the banks continue to be received in payment of the public dues, and the depositaries are directed, as in that case they unquestionably should be, to call frequently, and at short intervals, for the balances against the banks, and to demand specie for those balances, this must operate, as a powerful check upon all the banks in the vicinity of those depositaries where the collections are large. If, on the other hand, the receipt of the bank notes be gradually discontinued in the collection of the revenue, and specie collections substituted, while the change will create some demand upon the banks for specie, the disbursements of specie by the Government will constantly distribute among the people a broader and more permanent basis for the paper circulation, which the banks will, of course, continue, growing out of their private operations. That the demand for specie may, to some extent, diminish the profits of banking, is more than probable; but

if the effect shall be to restrain the issues of the banks, to keep upon them a constant sense of the necessity of more specie capital to meet their liabilities, the operation, as past experience abundantly proves, will be greatly beneficial to the community, and will work rather a benefit than an injury to the institutions themselves. In the mean time, the disbursement, by the Government, of the specie it receives, cannot fail, not only to give stability and confidence, to some extent, at least, to the general currency, by continuing in active circulation some portions of the gold and silver upon which the whole is based, but must, to the extent of the circulation, have a tendency to strengthen the banks against sudden pressures, and unfounded distrusts, by enabling them, the more easily to arm themselves with coin.

What are the tendencies of the opposite system upon the banking institutions? Recent experience has answered this inquiry more forcibly than it was in his power to command language to answer it. The effect was to promote fearful expansions when large amounts of public money were placed upon deposite, and ruinous contractions when the necessities or the policy of the Government required its payment. The effect was to stimulate to dangerous excesses, not the banks only, but their customers also, when money was abundant in the Treasury, and to add to the pressure, by heavy calls from the Treasury, when there was a scarcity. In short, the effect of the latter system upon the banks had proved, upon trial, to be unmixed evil, while the influences of the former promised to be rather favorable than unfavorable.

Fifth. The next and most important comparison between the two systems, was the influence of each upon the Government of the country and its finances. The proposed system would place the money of the Government, at all times, within the power and control of the Government. It would enable the Government, at all times, to pay its debts in a currency not depreciated, a currency equal to the standard of the Constitution and the law. It would render the Government financially independent, and maintain it in that position. Under such a system we should no more hear, what we were now daily hearing in this hall, that honest citizens had been defrauded, by being paid their demands against the Treasury in bank paper, which was depreciated, or worthless, and that Congress ought to indemnify them for their losses thus occasioned. These were some of the benefits certain to be derived to the Government from the adoption of the system provided for by the bill; but there was another, and, in his judgment, far greater benefit, equally certain to flow from its adoption. It would exempt the Government from the constant and innumerable imputations of injuries to trade, to the currency, to credit, to the private affairs of individuals and banks, from its financial movements. Was any person whom he addressed insensible to the moral and political evils growing out of these complaints? To their strong tendency to alienate the feelings of the people from our most valuable institutions, and to bring them to look upon all government as a curse and not a blessing; as calculated, not for their protection, but destruction and ruin? He would remind the Senate, very briefly, of the course of these complaints for the last four years.

The Government removed the public money from one single bank and placed it in several others. A clamor followed the act; a panic was excited; banks failed, merchants failed, money was made scarce, the currency was disturbed, credit received a shock, and, for some four months in succession, we heard nothing here but scenes of distress, general ruin, and almost famine; and all in a time of as great plenty and abundance, not of the necessaries of life only, but of money, as our country had ever witnessed. The panic passed off, and business of every description, and enterprise of every character, sprung into increased life and activity. The public lands commenced to sell rapidly, and our revenues became excessive. Then came the second complaint, which he proposed to notice; and it was that the whole splendid public domain, that rich inheritance from our fathers of the Revolution, under the operation of the "pet bank system," was going or gone; was being exchanged, for what? For "bank rags." That complaint lasted us for the most of one session of Congress, but nothing was done, by legislation, to remedy the evil. The accumulations of revenue had by this time come to be vast, and this gave rise to a third complaint. It was double in its character and contradictory with itself, and yet it entertained us during a large share of one of our sessions, and finally produced legislation. It was, to-day, that the Government was actually locking up in the banks all the money of the country, while the honest and hard-working citizens were suffering for its use. To-morrow, the almost countless millions were loaned by the pet banks to favorites of the Executive, and members of the dominant political party, to enable them to make speculations in the public lands, and in all other descriptions of property, to the injury of fair business men, and the ruin of the poor. So far were these complaints carried, inconsistent and contradictory as they were, as to make a sensible impression upon the public mind, and finally to induce almost all the members of this body to vote for the deposite law of 1836, which was to dissipate this hoarded fund, and place it in safe keeping with the States. The Secretary of the Treasury commenced the necessary measures to execute this law, and very soon found that the money which had been so injuriously hoarded, in our debates here, had been, in fact, rather too much dissipated before Congress interfered with it. This raised another complaint. The Secretary was wantonly executing the law, because he did not like its provisions. He was giving drafts upon the banks which had the money, for acceptance and payment, as the law required; when, if he had given them for transfer merely, the banks would not have been injured. During the first part of this process, the sale of the public lands continued at an accelerated pace; and, although Congress made a strenuous, but fruitless, effort to remedy the evil, the complaint commenced again that the public domain was being exchanged for irresponsible bank paper. The President took up the subject, after Congress left it, and directed the land officers to receive nothing but gold and silver in payment for lands. This laid the foundation for a new

nd continuing complaint. The payment of the immense deposites to the States produced the necessity or equal collections on the part of the deposite banks rom their customers. These collections occasioned scarcity of money, and it was the "Specie Circular" which had done it. Their foreign debts pressed pon the merchants, and the calls upon them from ie banks disenabled them to pay; but the Specie Circular had wrought the mischief, by marching all ie gold and silver of the country to the West to urchase lands. Embarrassments continued to ncrease; extensive failures of merchants and others ook place; and, finally, in May last, all the banks of ie country suspended payment. Still the Governent was principally in fault; the Specie Circular ad taken all the metallic currency to the interior, nd prevented it from going to Europe to pay our oreign debt; and the banks could not pay specie ntil that debt was cancelled. Time passed on. 'he funds of the Treasury were in the banks, and ould not be commanded, and an extra call of ongress became necessary to relieve the debtors f the Government, and supply the Treasury with nds. The banks were complained of, for their xcesses and improvidence; and the fault was that f the Government, for having placed in their hands ich immense deposites, to be called for so suddenly, and for having checked their excessive issues f paper by the Specie Circular. Congress was conened, and the present President transmitted his Iessage, proposing to end these complaints by an ntire severance of all business connection between ie National Treasury and the banking institutions. 'his, at once, changed the face of things, and owed the President and the Administration hostile the banks; and now, although the foreign debt is aid, and foreign exchange down to par, the banks annot resume payment for fear of the Governent.

He would ask, in all candor, and in all sincerity, if any history of facts could show, more conusively, the impropriety of this connection beween the finances of the country and the affairs individuals and banking incorporations? If ere was a man who heard him, who did not see nd feel the necessity of relieving the Government f his country from these constant and contradicry complaints? The proposed system will do at, and, in his judgment, that alone would be one f the greatest benefits which could be conferred pon the nation.

If such will be the influences upon our finances nd Government, of the system proposed, what inuences are to be expected from the State bank ystem? Certainly, to place the money of the peole beyond the control of the servants of the peple, and within the control of the banks; to disenble the Government to pay its debts, except in a epreciated currency, whenever the notes of the anks are depreciated; or to abandon its money, ollected and accumulated in the banks to meet its ebts, as a resource for that purpose, and to resort its credit to raise the means by which legal payents can be made; to render the country, at all nes, under all circumstances, and in every emerncy, even that of war not excepted, and after the oney for the public use has been collected from e people, financially dependent upon banks, in the management of which it has no voice, and over which it has no control; to subject the Government to all the complaints which have been recapitulated, and volumes of others of a like character; in short, to subject the Treasury of the nation to all the fluctuations, to which an ordinary banking or commercial house is subject; to make it instrumental in promoting excesses in both, and then chargeable with all the evils which may befall either itself, or the banking and mercantile interests. Should he spend the time of the Senate to prove that these were the necessary consequences of the system of State bank deposites? In the face of recent and severe experience both to the Treasury and to the country, would proof of these positions be called for? That experience furnished the clearest and strongest proof, and those whom it had not convinced, it was in vain for him to attempt to convince, by fact or argument. Such, to his mind, were the comparative influences of the two systems upon the Government of the country and its finances.

Sixth. He would extend his comparison to a single other point—the influence of each system upon the general currency, and dismiss this part of the argument.

The system proposed was clear and certain in its action, in this particular. It would secure a sound and standard currency for the National Treasury, whether that currency should be gold and silver or bank paper, and it would exempt that Treasury from the fluctuations of an unregulated and varying currency. So far, therefore, as the money operations of the Government could influence the currency generally, the influence exerted by this system must be salutary, as it must be to sustain a general currency equal to its own standard. If that currency should come, in time, to be gold and silver only, the system would exert another beneficial influence. It would not only present a standard of currency worthy of imitation, but, to the extent of the whole public disbursements, it would constantly circulate among the people a basis for the paper currency of the State banks, and thus aid them in keeping their representation of coin stable and firm, and equal in value to coin itself. Beyond these influences, it would leave the people and the States to regulate, in their own way, and without the interference of federal power, that portion of the general currency which, by the divisions of power under our system, falls within their jurisdiction and is the constant subject of their action. It would then be clear to all, if that portion of the currency should sink below the standard of currency for the public Treasury, that wrong existed somewhere in State legislation, or in the management of those entrusted by State legislation with the regulation of that currency; and the federal authorities would be free from imputation or suspicion, and would stand before the whole country holding up the true standard of currency, and inviting from the State authorities a correction of the errors which should at any time disturb or depreciate that portion committed to their care.

How, in this respect, does the opposite system act? The State banks are, to much the greatest, if not to the entire, extent, private institutions, controlled by private individuals and private interests,

and owned in whole, or to the extent of a majority of the capital, by private citizens, as private property. Private gain, then, as a necessary and natural consequence of the very constitution of these banks, was their principle of government, and, as an equally necessary and natural consequence, they would keep that portion of the currency which they were authorized to furnish for the country, at a sound, standard value, when private interest, and the prospect of private gain, should so direct, and they would suffer it to depreciate by the same rule. Give them the national treasure, and permit them to subject it to the fluctuations of their interest, and can a stable currency be expected, either for the Treasury or the people? Who are the legitimate customers of the banks? More particularly the merchants. Their business pervades not the whole of their own country only, but the whole civilized world. The laws of the States of the Union, therefore, are regulations much too limited for them; and even the laws and regulations of any single Government, as to either trade or currency, are but municipal in their character, when applied to their operations. Still they themselves have local habitations, and the case may well and frequently occur, when it is vastly more important to them that they should be able to command specie to export, in liquidation of their foreign debts, than that our local banks at home should redeem their notes in specie. What, in such a condition of trade and of the mercantile interest, will always be likely to be the condition of our local banks? Set aside the consideration that the merchants may be able to control those institutions from the stock they hold, and merely assume that they are the principal debtors to the banks, and are to continue to be their principal customers. Let the argument rest here, and give the banks the possession and control of the national treasure. Which interest would prevail? Would the Treasury of the country be sustained, and the payments to the public creditors be made in specie, or its equivalent, or would the views and wishes of the merchants be consulted, and the currency be made to bend to private and corporate interests? Let the experience of the last year answer the inquiry. He would express his confirmed opinion, that, under such a system, the currency of the public Treasury must share all the reverses and fluctuations of foreign and domestic trade, and all the hazards of corporate banking, as a private interest. Hence the operations of the Treasury itself must be suspended, or the law of Congress, as to currency, violated, whenever revulsions shall oppress the country, and the customers of the banks, or the alternative be resorted to, as it recently has been, by the national authorities, to convoke Congress, relieve the banks and the public debtors, and resort to the credit of the nation to sustain its Treasury, until the natural operations of healthful business shall again restore the equilibrium.

Such, in his mind, were the probable influences of the two systems upon the general currency of the country.

He would now proceed to answer a very few of the prominent objections made to the bill, and pass, as rapidly as possible, to his conclusion. The first of these objections which he would notice, was that the system proposed by the bill was an attack upon the State banking institutions, calculated to destroy their credit and usefulness. This, if true, was a grave charge, and therefore required some consideration. An attack must be an infringement of some vested right, or a course of treatment so manifestly against the public good as to partake of wantonness and immorality, or a spirit of revenge. Was any right of these institutions proposed to be infringed upon? Did their charters, granted by the States, for fixed and specified purposes, include among those purposes the safe-keeping, or profitable use, of the money of the whole country? Was there a provision that they should be fiscal agents of the National Treasury, or that their credit should be sustained by the money and credit of the people of the United States? No. No such provision was ever heard of in the charter of any State bank. No right of the institutions was, then, infringed, by withholding from them both the keeping and use of the public money.

Was any faith, or confidence, due from this Government to the States, or to these institutions of their creation, violated by the proposed separation? The States had chartered banks for particular locations, with capitals such as the locations seemed to demand, but would any one pretend that, in granting these charters, the State Legislatures had counted upon the money in the National Treasury, or the credit of the Federal Government, to sustain and make useful the banking institutions to which they were giving life and power, as banks of issue and discount? Did any State Legislature ever, by word or deed, cause it to be understood, either by the people, or the institutions, that banks of their creation were mere skeletons, powerless and helpless, and that the life and health-giving principle was to be breathed into them by an extension of the patronage of the Federal Government, in the shape of a profitable use of its money, and a command of its confidence and credit? Never. Had the Federal Government, by any act, or expression, authorized an expectation of this patronage and confidence, except upon conditions which had been violated by the banks, and had thus forced a separation between them and the treasure of the country? He was aware of no such act or expression. The separation exists, and has been forced upon the nation by the banks themselves, and the simple question is, shall we renew it? In what sense can the decision of that question, however that decision may be made, be an attack upon the banks? The idea was a mistaken one, and the objection, in any light in which it could be viewed, was unfounded and unjust.

He proposed, however, for the purpose of illustrating the truth of this conclusion, and making it more clear, to call to the minds of Senators a single chapter in our financial history. During forty years of the existence of the Government, under the Federal Constitution, a national bank had been in existence, and, he spoke from recollection, but he believed the national bank had been, for the whole period, the exclusive depository of the public money, and the exclusive fiscal agent of the Treasury. He was sure it was so during the twenty years' existence of the last national bank, and he thought it was so under the old bank. Then

the State banks were not depositories of the national treasure, nor fiscal agents of the National Treasury, and had it ever been asserted that this legislation was an attack upon these institutions, or that their credit and usefulness were thereby destroyed? But, again: during the existence of the last Bank of the United States the notes of the State banks were not disbursed to the public creditors at all, and were not receivable in payment of the public dues but at the pleasure of the national bank, and then, as every bank bank receives the notes of its neighbor institution, to take them out of circulation, and return them promptly, to be converted into specie or specie funds. Did these State institutions languish and die under this Congressional legislation? Did they not rather take root and flourish, and become sound, and stable, and useful? Has not a large and powerful political party in this country ever contended that the checks and restraints, exercised by the national bank, during this period, over the State institutions, were salutary and proper? That it was a great balance wheel, regulating and equalising the movement of the whole complex machinery? What is proposed by the bill, but that, to the extent of its operations, the National Treasury shall form the same check and restraint upon the local banking institutions? That it shall keep the public money independent of them? That it shall either not receive their notes in payment of the public dues, or receiving, shall frequently present them for conversion into specie, or specie funds? The only difference will be that the Treasury will not enter into competition with the local banks in the business of banking; that it will leave that whole field to them, and merely content itself with a sound currency for its transactions. How, then, is it possible that those who saw such benign influences to the local institutions from the wholesome restraints of a national bank, should see such baneful effects to follow the same influences, when flowing from the public Treasury? should see there an attack upon the institutions, a prostration of their credit, and a total destruction of their usefulness?

He was aware that the system proposed was new, and substantially untried, so far as the legislation and the practice of our Government was concerned; and it would be admitted by all, that, as a new measure, it had met the full share of denunciation to which almost all changes from established custom, almost all reforms, however valuable and useful, are destined to meet, when presented in the mere shape of propositions for the acceptance of the public. It was not his habit to speak disrespectfully here of the actions or the motives of any; and he certainly did not intend, in the remark he was about to make, to express any want of charity towards the course or opinions of any side of the House, or any individual in it. He yielded to all that credit for purity of purpose and sincerity of intention, which he wished them to award to him; but he must say that he had never seen more active, zealous, and persevering efforts to forestall public opinion upon any measure of legislation, than had been used towards this, from the appearance of the Message of the President, at the extra session, to the present hour. He had seen this with the more deep regret, because some of the most respectable, intelligent, and influential, of those who had been friends and supporters of the Administration, and who, he trusted, were yet so, were among the most active in opposition to this measure. They so acted, because they so felt and so thought; and if they used efforts to prejudice the bill in the public mind, it was because they deprecated its passage as, in their judgments, injurious to the public interests.

He would entreat them, however, to pause and reflect. Experience had tested the imperfections of the State bank deposite system, of which they were advocates, while experience had done little to approve or condemn the system proposed by the bill. It had been in substantial operation since the suspension of specie payments by the banks, in May last. It was forced into operation by that suspension. It found the currency of the country deranged, the credit of the country depressed, and the business of the country prostrate and at a stand. He would not say that these were the consequences of the State bank deposite system. He had said upon that point all he intended to say; but it was matter of history that these disasters had come upon the country under the practical operation of that system. What had been the effect of the operation, for two-thirds of a year, of the system which it was supposed would destroy credit, depress property, discourage enterprise and exertion, and send the country back to a state of barbarism? Foreign exchanges had been, for some time, down to and below par, in our commercial markets; thus affording conclusive evidence that our foreign debt had been reduced within ordinary limits; domestic exchanges were rapidly approximating a healthful state, furnishing the same evidence that internal trade was gradually and steadily equalizing itself; property retained a fair value, and found a steady market; credit and confidence were gaining strength; and the banks, as a general remark, were recovering from their late excesses, and preparing for a speedy resumption of specie payments. Such seemed to be the history of our business prospects at the present moment. He did not mention these things to ascribe them to the operations of the National Treasury, or to the manner in which those operations had been conducted since the suspension of the banks, but to prove that the practical operation of a system for the management of our finances, such as is substantially provided for by the bill, had not had the effect to retard and defeat these great and beneficial business results, nor to repress the immense energies, and to cripple the vast resources, of our extended country.

Surely, then, so far as experience has afforded evidence, it offers no cause for discouragement to the friends of the measure, and inasmuch as opinions beyond that, whether favorable or unfavorable, are little more than conjecture, the opposers of the bill should not demand of us to surrender our favorable judgment, though thus slightly tested, in favor of a measure which repeated experiment, both in adversity and in prosperity, has proved to be delusive and dangerous.

The next objection he proposed to notice was, that the operations of the bill would be to separate the Government from the people, and to secure a sound currency for the public officers, and a base currency for the country.

This, again, was a startling objection, and required examination. Its first assumption was, that the tendency of the measure under discussion would be to separate the Government of the country from the people of the country; to elevate the former and depress the latter; and the second was, that the separation would be marked by a difference in the value of the currency to be provided for and secured to each. Had either of these assumptions any foundation in fact, or even in fair apprehension?

He had already attempted to show, and thought he had succeeded in showing, that the financial system proposed by the bill was preferable to the State bank deposite system in the following respects, namely: in the safety it afforded to the public moneys; in the expenses and risks attending its administration; in its salutary influences upon the banking institutions themselves; in the limitations of patronage added to the Executive branch of the Government; in the independence it secures to the Government financially, and the exemption it confers from injurious imputations; and in its tendency, to the full extent of the operations of the National Treasury, and of the exertion of all the constitutional power of this Government, to produce and maintain a sound and stable currency for the whole country. If he had succeeded in establishing these positions, would it, could it, be said, that a system possessing such advantages was calculated to produce separation and alienation between the people of the country and the Government of their choice? He could not believe it.

But the objection assumed that this separation was to grow out of the different currencies produced for the Government and the people, by the necessary action of the system. That the effect of the bill would be, and was intended to be, to produce and maintain a uniform and sound currency for the National Treasury, and for all who might have demands upon it, as well the officers of the Government as others, was most freely admitted. Indeed this was claimed as one of the principal merits of the system. But did it follow that, because the bill had this tendency, it would therefore tend to debase the general currency of the people? Certainly not. No such consequence followed. On the contrary, it had been already shown that, so far as it should exert any influence upon the general currency, that influence must be to raise that currency to a level with that secured to the Treasury. If, then, the people were to have a base currency, they were to have it, not in consequence of the bill, but in defiance of it; they were to receive it, not from the public Treasury, but from their own State banks; not from the evils of the legislation of Congress, but from the evils of State legislation. Did any one pretend that the bill could exert an influence to debase any portion of the currency upon which it had no direct action? He had not heard it so contended, and he felt sure that no such position would be assumed. If the currency upon which it did directly act, and the standard of which it regulated, were to be base, then it might be well apprehended that its indirect influence would be to draw down the general currency to its level; but as the gist of the complaint is that the standard of currency it assumes for the Government is higher than that of the general currency, so it follows, by a parity of reasoning, that its indirect influence must be to raise the general currency to its standard.

In all this he was constrained most respectfully to ask where was the ground of complaint, unless gentlemen were ready to take the position that a sound, uniform, and standard currency could not be sustained in the country, and that, to avoid invidious distinctions between the Government and the people, the National Legislature, possessing the power to fix the standard of currency, should at once adopt a base standard, and thus conform the currency of the Treasury to that which it might be the interest of the local banking institutions to maintain. He did not believe that any advocate for such a doctrine was to be found here; but if such an one should appear, he had only first to deny the position wholly, and to assert that a sound currency could be sustained in this country, without an infringement upon the powers granted to Congress by the Constitution, for the means of accomplishing the object; and second, if the position should be granted, to deny the inference, and contend that it was the constitutional duty of Congress to keep the currency of the National Treasury up to the standard of gold and silver, in any event.

The next, and only other, objection he proposed to notice was, that the tendency of the system provided for by the bill, would be to withdraw from circulation and use, and to hoard in the several depositories, too great a portion of the gold and silver of the country.

He had but a brief answer to this objection. It never could be true at times when the revenue and expenditures of the Government were properly adjusted. If they were equal, as they should be, the receipts of revenue would be taken in one hand; and the disbursements for expenses would be made with the other. Nothing could be hoarded but the amount which the widely extended operations of the Treasury compelled it to keep *in transitu;* and that was just as much, and no more, hoarded than the money of the merchant at a distant point, either during the time that notice of its collection was travelling to him in the mail, or his draft for it was passing back to the point where the money was on deposite. This amount would vary from three to five millions of dollars, including the amount constantly retained in the mints in the process of coinage; and he would repeat that, when the revenue and expenditures should bear a just proportion to each other, as they always should, no further or more dangerous hoarding could take place under the bill.

But suppose that a time should again come when over-trading and speculation, in every branch of business, should commence the accumulation of another surplus revenue, such as had afflicted the country for the last few years, then, for himself, he should consider this tendency of the bill one of its most valuable features. Let over-trading go on, and speculations spread, and let the amounts paid for duties and lands be collected in gold and silver, and hoarded in the public Treasury and its depositories, except so much as is wanted to meet the fair expenditures of the Government, and how far does any man believe these deranging and injurious business excesses would proceed? Not, Mr.

President, to the prostration of business and credit, and the currency of the country. No, sir: the banks, instead of promoting, would be compelled to arrest them, and to restore business to its legitimate and proper channels, before the country could receive a shock, or the people injury.

It was wrong for him, however, to spend the time of the Senate in the discussion of this objection, as it was expressly met by a provision in the bill. He referred to the twenty-first section, which made it the duty of the Secretary of the Treasury, whenever there should be upon deposite to the credit of the Treasurer a sum greater than four millions of dollars, to dissipate the money so hoarded by an investment in National, or State stocks. This must relieve the apprehensions of all upon this point, as four millions was the greatest amount which could, at any one time, be permitted to remain in the possession and keeping of all the depositaries constituted by the bill. As, however, he had discussed the provisions of this section somewhat at length, in the course of his remarks upon the provisions of the bill generally, he would omit any further remarks here.

He had now closed what he proposed to say, having particular reference to the system of finance for the National Treasury, recommended by the committee, or as to the ostensible antagonist system of State bank deposites.

But there was a third alternative—a National Bank—which he must not omit to notice, in his extended discussion of this great subject. He was bound, however, after having so long trespassed upon the time of the Senate, to relieve the members from the apprehension that he was now to enter upon this interminable field of debate. No: nothing in this field presented to him matter for debate. He entertained the most firm convictions that the Constitution of the United States had conferred upon Congress no power to charter such an institution, but every argument upon that great question had been again and again presented to Congress and the nation, in a manner much more forcible, and from sources much more commanding, than any thing which could be advanced by him. It was, therefore, to him, a question not for discussion, but for action, and, unless his present views upon it should be radically changed, for negative action only.

He had heard, since he had been honored with a seat in this body, many ingenious arguments in favor of the power, but all had sought to derive it from necessity or expediency; and it was due to the authors of these arguments to say that, to his mind, no very nice distinction had been preserved between necessity and expediency. It had been said that a uniform currency was necessary for the country; that such a currency could not be produced or maintained without a National Bank; and that, therefore, Congress had the power to charter such an institution. That a uniform currency was expedient and highly desirable for our wide-spread country, no one could doubt; but that the country could get on very comfortably without such a currency, had been proved by the actual experience of several periods in our history. That a sound and standard currency was necessary to the existence of commerce, that such a currency could not be established and sustained in our country but by Congressional legislation, and that therefore, Congress had the power to create, as well as to regulate, such a currency, has been contended here. No one will be disposed to question the position that a sound and standard currency is very desirable to a commercial country, but that commerce can be carried on, to a considerable extent, without money of any description, is a fact not to be questioned. These instances are mentioned, not to question the expedient and useful tendency of the arguments, so far as they go to show that a uniform currency is highly important to every civilized country, and that a sound medium of exchange is of the first utility in commerce, but to question how far the argument of necessity, in either case, can be safely relied upon as the basis of a grant of constitutional power, and to show that, in either argument, there is no little difficulty in settling the dispute as to where expediency and utility end, and necessity begins. For himself, he repudiated all such arguments, and all arguments of every character, founded upon simple necessity, as establishing grants of power under the Constitution of the United States in favor of the Congress of the United States.

A single remark upon the question of chartering a National Bank, as a mere matter of expediency if all questions of constitutional power were out of the way, and he would dismiss this topic. The experience of his own time, the late proceedings of the late Bank of the United States, had satisfied his mind that the dangers to our political and civil institutions, from such an organized money power, vastly overbalance any anticipated benefits, and that, as a simple question of expediency, such an institution ought not to be chartered by Congress. Neither the hour of the day, the patience of the Senate, nor his own strength, would permit him to enter upon a further discussion of this point at present; and his only purpose having been to pronounce the opinion he had pronounced, he would pass to his conclusion.

The three alternatives had been presented. The condition of the public Treasury, of the currency, of the business of the country, and general public expectation, demanded action from Congress. The committee of which he was a member had presented to the Senate the bill upon the table, as the action which a majority of its members proposed. This bill was to be opposed from two sides of the house. The friends of the State bank deposite system, and the friends of a National Bank, were alike, and together, to be met and overcome, or the bill could not pass.

In this condition of the question, and of the Senate, he considered it to be his indispensable duty to present, what he believed to be the real and true issue, fairly and fully to the Senate and the country. And what was that?

In his judgment, it was the adoption of some system based upon the principles of the bill under discussion, or a National Bank. He saw no prospect of success for any middle ground. What were the evidences of our senses upon this subject? Look at the divisions in this body. The party friendly to a National Bank had always repudiated the State bank deposite system as dangerous in its

litions to Executive power, as inefficient as to currency, and as unsafe as to the public mo-y. Was there any evidence that those members that party here had changed their opinions as that system? He knew of none; and were he judge from the language of that portion of the blic press which was supposed to reflect their nions, or from what had but recently passed here relation to the failure of a deposite bank in Bos-, he should be compelled to say that no change that quarter had taken place. But he would peal to the gentlemen themselves, and ask if re-t experience, as to that financial system for the tional Treasury, had changed their feelings ards it? Had endeared it to them, as one they re now desirous to make their own? Are they ling to surrender their favorite project of a tional Bank for this alternative? Will they tell us, in frankness and candor, that, with one two solitary exceptions perhaps, every man of m is for a National Bank, as in their judg-nts, the only effectual remedy for the financial iculties of the country?

f such continues to be the feeling of the party ch opposed the late Administration, and equal-pposes the present, what is the condition, in respect, of those who have hitherto supported n? Is there not, numerically speaking, a very at degree of unanimity of sentiment with them, avor of the bill, at least so far as a practical *bona fide* separation from the banks is concern-d He supposed that to be the fact, and he refer-to this division of feeling here, upon this sub-, with no pleasure. He knew and felt that se with whom he had long, intimately, and plea-tly associated, personally and politically, were differ with him upon this measure. He regret-the difference as much as any one of them ld. He entertained no unkindness of feeling ards them on account of this difference of opi-n upon a particular bill. He yielded to them the sincerity of convictions of public duty which laimed for himself; and he assured them, one all, that no remark which he had made, or was ut to make, had been, or should be, on his part, nded to wound their feelings, or censure their rse. They, like himself, were responsible to r constituents and the country, for their acts e; and he did not entertain a doubt that that countability would be discharged by them according to their most firm convictions of right. Yet he must appeal to them to say if they did not believe the public opinion of the country was very justly reflected in the two Houses of Congress upon the three alternative propositions he had discussed. If they had seen any evidence, from recent political results any where, to authorize the belief that the State bank system of deposites, to which they still adhered, was gaining favor in any quarter? If they did not perceive that the two other systems were dividing the great mass of the public mind of the whole country? If they did not feel, in the recent history and present condition of the State banks, that public confidence could not again be restored to that system of deposites by legislative enactments? If they did not fear that, in assuming the positions they were compelled to assume, that banks were necessary to the successful and proper administration of the finances of the Federal Government; that it is within the power, and is, in some sort, and to some extent, the duty of this Government to regulate the whole currency of the country; that the regulation of exchanges, too, if not directly, was incidentally a matter for which the Government should be held responsible; and that the custody and safe-keeping of the public treasure should be committed to banks, and not to the constituted authorities of the Government; did they not fear, he would repeat, that, in assuming these positions, they were merely aiding and strengthening the friends of a National Bank? That they were furnishing what might be considered as evidence to those who could listen to such an argument, to prove that a National Bank was necessary under our system? He did not put these inquiries from any thing which had been advanced here, but they were suggested from the course of argument which he saw constantly used in the public press and elsewhere, to sustain the ground which these friends had assumed, and he must say that it seemed to him like yielding the whole field to the advocates of a National Bank; that it was making such an institution, and some system founded upon the principles of the bill under discussion, the real alternatives before the country, and bringing the contest, if not here, elsewhere, to that issue.

He was sorry to have detained the Senate so long, and, as the best atonement he could make, he would resume his seat, and trouble them no farther.